



U.S. Postal Inspection Service  
Phoenix Division



Internal Revenue Service  
Criminal Investigation Division



United States Attorney's Office  
District of Arizona

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## **TWO INDICTED IN MULTI-MILLION DOLLAR BUSINESS OPPORTUNITY SCHEME**

*3,000 victims lost approximately \$6 million*

PHOENIX - A federal grand jury in Phoenix returned a 38-count indictment yesterday against Paul David Angel, 32, of Gilbert, Ariz. and Chester Frank Bissett, 54, of Mesa, Ariz. for violations of Conspiracy, Mail Fraud, Wire Fraud and Transactional Money Laundering which caused 3,000 victims to lose a total of approximately \$6 million dollars. Both Angel and Bissett will receive summons to make their initial appearance in federal court.

The indictment alleges that from April 2002 through September 2004, Angel and Bissett operating as Net Direct Sites, Net Direct Marketing, LLC, Direct-Track Marketing, LLC, and other business names, solicited victims into purchasing Web based programs that purportedly enlisted the victims as distributors selling global positioning systems (GPS) to the public. These individuals contacted victims by telephone and through written promotional materials in which the financial benefits of owning and operating a Web site or distributorship of this kind were grossly misrepresented. Prospective distributors paid between \$300 to \$2,500 for these Web sites.

The indictment further alleges that as part of the scheme, the prospective distributors were sent a Business Partnership Cost & Profit Prospective that claimed distributor's Web sites would be individually customized by graphic designers and monitored by a professional staff. Victims were told they had access to marketing consultants who would assist victims in maximizing sales. In fact, the Web sites were generic and almost identical in appearance and content, no day-to-day record keeping took place and the marketing consultants were actually untrained personnel who did not help victims sell GPS units.

After defrauding the victims with the initial sale of a Web site, Angel and Bissett further solicited victims through a fraudulent advertising program which solicitors used to deceive victims into purchasing additional advertising in the belief it would make victims' Web sites profitable. Victims paid as much as \$7,500 for the advertising program in addition to the initial cost of their Web sites. There were few, if any, sales of GPS units to actual third-party consumers searching the Internet through any of the thousands of distributor Web sites.

"Telemarketing fraud often involves fraudulent sales pitches which invade victims' homes via the Internet," stated U.S. Attorney Diane J. Humetewa. "I appreciate the continued efforts of the U.S. Postal Inspection Service and the Internal Revenue Services' Criminal Investigation Division to combat this emerging area of telemarketing crime."

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“The scheme devised by the defendants allegedly cost victims upwards of \$6 million, dashing their hopes for a profitable, home-based business,” said Phoenix Division Inspector in Charge Pete Zegarac. “The U.S. Postal Inspection Service advises the public to investigate any investment opportunity before committing money to solicitors. The efforts spent initially can save consumers a multitude of time and money in the long run.”

“That old adage still holds; if it sounds too good to be true it probably is,” said IRS Acting Special Agent in Charge Albert Childress. “It is important for people to diligently check out claims of unusually high rates of return before investing. Seldom follow the advice of any one person. Always get a second opinion.”

A conviction for Mail Fraud carries a maximum penalty of 20 years in prison, a \$250,000 fine or both; Conspiracy carries a maximum penalty of 5 years and a \$250,000 fine or both; Wire Fraud carries a maximum penalty of 20 years in prison, a fine of \$250,000 fine or both; and a conviction for Money Laundering carries a maximum 20 years in prison and a \$500,000 fine or both for each count. In determining an actual sentence, the Judge will consult the U.S. Sentencing Guidelines, which provide appropriate sentencing ranges. The judge, however, is not bound by those guidelines in determining a sentence.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The investigation preceding the indictment was conducted by the U.S. Postal Inspection Service and the Internal Revenue Service - Criminal Investigation Division. The prosecution is being handled by Rachel Hernandez and Peter Sexton, Assistant U.S. Attorneys, District of Arizona, Phoenix.

CASE NUMBER: CR-08-0952-PHX  
RELEASE NUMBER: 2008-210(Angel et al)

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